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INTERSTATE COMMERCE COMMISSION

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Lease of Equipment

BY AND BETWEEN

FIRST WESTERN BANK AND TRUST COMPANY,
as Trustee

AND

TRAILER TRAIN COMPANY

Dated as of May 1, 1972

LEASE OF EQUIPMENT dated as of May 1, 1972, between FIRST WESTERN BANK AND TRUST COMPANY, a California banking corporation (hereinafter called the Lessor), as trustee under a Trust Agreement dated as of May 1, 1972 (hereinafter called the Trust Agreement) between the Lessor and NORTHWESTERN NATIONAL BANK OF MINNEAPOLIS (hereinafter called the Beneficiary), and TRAILER TRAIN COMPANY, a Delaware corporation (hereinafter called the Lessee).

WHEREAS as the Lessor is entering into three Manufacturing Agreements dated as of May 1, 1972 (each such Manufacturing Agreement hereinafter called a Manufacturing Agreement) with the Lessee and ACF Industries Incorporated, Pullman Incorporated (Pullman-Standard Division) and Bethlehem Steel Corporation, respectively, pursuant to which the Lessor has agreed to purchase and take delivery of the Railroad equipment described in Schedule A hereto (hereinafter sometimes called the Equipment); and

WHEREAS the Lessee has agreed to lease from the Lessor all the units of the Equipment, or such lesser number of units as are delivered and accepted and settled for under the Equipment Trust Agreement (as hereinafter defined) on or prior to September 15, 1972 (each such unit hereinafter called a Unit and collectively the Units) at the rentals and for the term and upon the conditions hereinafter provided; and

WHEREAS the Lessor and the Lessee are entering into an Equipment Trust Agreement dated as of May 1, 1972 (herein called the Equipment Trust Agreement), with Manufacturers Hanover Trust Company, as Trustee (hereinafter called the Trustee), under which security title to the Units will be reserved to the Trustee until the Lessor fulfills all its obligations under the Equipment Trust Agreement;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions, but subject and subordinate to all the rights and remedies of the Trustee under the Equipment Trust Agreement.

§ 1. *Delivery and Acceptance of Units.* The Lessor will cause each Unit accepted pursuant to a Manufacturing Agreement to be delivered to the Lessee at the same point or points within the United States of America at which such Unit is delivered to the Lessor under such Manufacturing Agreement, such point or points, however, to be mutually acceptable to the Lessor and the Lessee. Upon such delivery, the Lessee will cause an inspector of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit and to execute and deliver to the Lessor and to the Trustee a Lessee's Certificate (as defined in the Equipment Trust Agreement and complying with the provisions of Section 4.04(a) thereof), whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee under this Lease and shall be subject thereafter to all the terms and conditions of this Lease and such Lessee's Certificate shall be absolutely binding upon the Lessee. Any Unit excluded from or substituted under the Equipment Trust Agreement pursuant to the second paragraph of Section 4.01 thereof shall likewise be excluded from this Lease.

§ 2. *Rentals.* The Lessee agrees to pay to the Lessor, as rental for each Unit subject to this Lease, 31 consecutive semiannual payments, payable on April 1 and October 1 in each year commencing October 1, 1972. The first such semiannual payment shall be in an amount equal to 0.023333% of the Cost (as such term is defined in the Equipment Trust Agreement) of each Unit subject to this Lease for each day elapsed from and including the Settlement Date (as defined in Section 4.02 of the Equipment Trust Agreement) for such Unit to October 1, 1972. The next 10 such semiannual payments shall each be in an amount equal to 3.10170% of the Cost of each such Unit subject to this Lease on the date of such payment and the next 20 such semiannual payments shall each be in an amount equal to 5.53842% of the Cost of each such Unit subject to this Lease on the date of such payment. In addition, the Lessee shall pay to the Lessor (i) on the Settlement Date for each Unit, if such Settlement Date is later than the 31st day following the date of acceptance of such Unit pursuant to § 1 hereof, additional rental

in an amount equal to interest on the Cost of such Unit from such 31st day to and including the Settlement Date, at a rate per annum equal to the prime rate which the Trustee would charge on such Settlement Date for 90-day loans to borrowers of the highest credit standing and (ii) on October 1, 1972, additional rental in an amount equal to 8.40% per annum of the amount from time to time remaining on deposit with the Trustee as Deposited Cash (as defined in the Equipment Trust Agreement) from the original date of issue of the Trust Certificates (as defined in the Equipment Trust Agreement) to the date of application of such Deposited Cash or October 1, 1972, as the case may be. If any of the payment dates referred to above is not a Business Day (as defined in the Equipment Trust Agreement), the payment shall be payable on the next succeeding Business Day (without interest).

Notwithstanding anything to the contrary contained herein, any and all sums paid by the Lessee pursuant to its guaranty set forth in the first paragraph of Section 7.01 of the Equipment Trust Agreement in respect of the obligations set forth in Sections 5.04(c), (d) and (e) thereof not attributable to an Event of Default (as hereinafter defined) hereunder or to late payment shall be thereupon deemed to have been paid in reduction or satisfaction, to the extent thereof, of any rental payments then due and payable by the Lessee to the Lessor under this § 2.

The Lessor irrevocably instructs the Lessee to make all the payments provided for in this Lease, during the original term hereof (other than the rental payable pursuant to clause (i) of the fourth sentence of this § 2, and any amount payable in respect of a Unit which has not been settled for pursuant to Section 4.02 of the Equipment Trust Agreement by reason of such Unit's having suffered a Casualty Occurrence, which rental and amount shall be paid to the Lessor at the address set forth in the second sentence of this paragraph), in immediately available funds in New York City for the account of the Lessor, in care of the Trustee at its office at 40 Wall Street, New York, N. Y. 10015, attention of Corporate Trust Department, with instructions to the Trustee first to apply such payments to satisfy the obligations of the Lessor under the Equipment Trust Agreement known to the Trustee to be due and payable on the date such payments are due

Unit free and clear of all impositions which might in any way affect the title of the Lessor and the security title of the Trustee (or the interests of the holders of the Equipment Trust Certificates issued under the Equipment Trust Agreement) therein or result in a lien or security interest upon any such Unit (other than the Equipment Trust Agreement and this Lease) and will supply the Lessor and the Trustee with a receipt or other evidence of such payment satisfactory to the Lessor and the Trustee; *provided, however*, that the Lessee shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor or the Trustee, adversely affect the title, property or rights of the Lessor or the Trustee hereunder or under the Equipment Trust Agreement. If any imposition shall have been charged or levied against the Lessor or the Trustee directly and paid by the Lessor or the Trustee, the Lessee shall reimburse the Lessor or the Trustee, as the case may be, on presentation of an invoice therefor. The Lessor agrees that if, in the opinion of independent tax counsel selected by the Lessor and acceptable to the Lessee, a bona fide claim exists to all or a portion of any imposition in respect of which the Lessee has made payment to the Lessor as aforesaid, the Lessor shall, upon request and at the expense of the Lessee, take all such legal or other appropriate action deemed reasonable by said independent counsel in order to sustain such claim. The Lessor shall not be obligated to take any such legal or other appropriate action unless the Lessee shall first have indemnified the Lessor for all liabilities and expenses which may be entailed therein and shall have furnished the Lessor with such reasonable security therefor as may be requested. The Lessee shall be entitled to the proceeds of the successful prosecution of any such claim.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Trustee in the Units, if such is necessary or appropriate, or will notify the Lessor and the Trustee of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor and the Trustee.

In the event that, during the continuance of this Lease, the Lessee shall become liable for the payment or reimbursement of any impositions pursuant to this § 5, such liability shall continue, notwithstanding the termination of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§ 6. *Payment for Casualty Occurrences.* Whenever any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences) during the term or any extended term of this Lease, or until such Unit shall have been returned in the manner provided in § 13 hereof, the Lessee shall, promptly after it shall have been determined that such Unit has suffered a Casualty Occurrence, deliver to the Lessor and the Trustee a Lessee's Certificate (as defined in the Equipment Trust Agreement) fully informing them with respect thereto and complying with the provisions of Section 5.07 of the Equipment Trust Agreement. On the rental payment date next succeeding the delivery of such Lessee's Certificate (or, in the event such rental payment date will occur within 60 days after such delivery, on the following rental payment date or, if this Lease, or any extended term hereof, as the case may be, shall expire before or within 60 days after such delivery on the expiration date of this Lease, or any such extended term, or any other date thereafter, within 60 days of such delivery or, in the event that such Unit shall not have then been settled for pursuant to Section 4.02 of the Equipment Trust Agreement at the time of such delivery, on the date such Unit would have been settled for but for such Casualty Occurrence) the Lessee shall pay to the Lessor an amount equal to the accrued rental for such Unit to the date of such payment plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of such payment date in accordance with the schedule set out below. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit (other than additional rental payable pursuant to clause (ii) of the fourth sentence of the first paragraph of § 2 hereof) shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall

and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Notwithstanding anything to the contrary contained in § 11 hereof, the Lessee represents and warrants that (i) all of the Units constitute property the entire Cost of which qualifies for the Investment Credit under Section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of Section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) and 167(c)(2) of the Code from commencing with the Lessor; and (iii) at all times during the term of this Lease, each Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Code and will be used by railroad companies; and (iv) the Lessee will maintain sufficient records to verify such use.

§ 18. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States registered mails, first-class postage prepaid, addressed as follows:

If to the Lessor, at 235 Montgomery Street, San Francisco, California 94104, *attention of* Edgar H. Canfield, Vice President and Trust Officer;

If to the Lessee, at 300 South Wacker Drive, Chicago, Illinois 60606, *attention of* the Vice President—Finance;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 19. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Unit free and clear of all impositions which might in any way affect the title of the Lessor and the security title of the Trustee (or the interests of the holders of the Equipment Trust Certificates issued under the Equipment Trust Agreement) therein or result in a lien or security interest upon any such Unit (other than the Equipment Trust Agreement and this Lease) and will supply the Lessor and the Trustee with a receipt or other evidence of such payment satisfactory to the Lessor and the Trustee; *provided, however*, that the Lessee shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor or the Trustee, adversely affect the title, property or rights of the Lessor or the Trustee hereunder or under the Equipment Trust Agreement. If any imposition shall have been charged or levied against the Lessor or the Trustee directly and paid by the Lessor or the Trustee, the Lessee shall reimburse the Lessor or the Trustee, as the case may be, on presentation of an invoice therefor. The Lessor agrees that if, in the opinion of independent tax counsel selected by the Lessor and acceptable to the Lessee, a bona fide claim exists to all or a portion of any imposition in respect of which the Lessee has made payment to the Lessor as aforesaid, the Lessor shall, upon request and at the expense of the Lessee, take all such legal or other appropriate action deemed reasonable by said independent counsel in order to sustain such claim. The Lessor shall not be obligated to take any such legal or other appropriate action unless the Lessee shall first have indemnified the Lessor for all liabilities and expenses which may be entailed therein and shall have furnished the Lessor with such reasonable security therefor as may be requested. The Lessee shall be entitled to the proceeds of the successful prosecution of any such claim.

In the event any reports with respect to impositions are required to be made, the Lessee will either make such reports in such manner as to show the interests of the Lessor and the Trustee in the Units, if such is necessary or appropriate, or will notify the Lessor and the Trustee of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor and the Trustee.

In the event that, during the continuance of this Lease, the Lessee shall become liable for the payment or reimbursement of any impositions pursuant to this § 5, such liability shall continue, notwithstanding the termination of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§ 6. *Payment for Casualty Occurrences.* Whenever any Unit shall be or become worn out, lost, stolen, destroyed or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences) during the term or any extended term of this Lease, or until such Unit shall have been returned in the manner provided in § 13 hereof, the Lessee shall, promptly after it shall have been determined that such Unit has suffered a Casualty Occurrence, deliver to the Lessor and the Trustee a Lessee's Certificate (as defined in the Equipment Trust Agreement) fully informing them with respect thereto and complying with the provisions of Section 5.07 of the Equipment Trust Agreement. On the rental payment date next succeeding the delivery of such Lessee's Certificate (or, in the event such rental payment date will occur within 60 days after such delivery, on the following rental payment date or, if this Lease, or any extended term hereof, as the case may be, shall expire before or within 60 days after such delivery on the expiration date of this Lease, or any such extended term, or any other date thereafter, within 60 days of such delivery or, in the event that such Unit shall not have then been settled for pursuant to Section 4.02 of the Equipment Trust Agreement at the time of such delivery, on the date such Unit would have been settled for but for such Casualty Occurrence) the Lessee shall pay to the Lessor an amount equal to the accrued rental for such Unit to the date of such payment plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of such payment date in accordance with the schedule set out below. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit (other than additional rental payable pursuant to clause (ii) of the fourth sentence of the first paragraph of § 2 hereof) shall cease to accrue as of the date of such payment, the term of this Lease as to such Unit shall terminate and (except in the case of the loss, theft or complete destruction of such Unit) the Lessor shall

and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Notwithstanding anything to the contrary contained in § 11 hereof, the Lessee represents and warrants that (i) all of the Units constitute property the entire Cost of which qualifies for the Investment Credit under Section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of Section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) and 167(c)(2) of the Code from commencing with the Lessor; and (iii) at all times during the term of this Lease, each Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Code and will be used by railroad companies; and (iv) the Lessee will maintain sufficient records to verify such use.

§ 18. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States registered mails, first-class postage prepaid, addressed as follows:

If to the Lessor, at 235 Montgomery Street, San Francisco, California 94104, *attention of* Edgar H. Canfield, Vice President and Trust Officer;

If to the Lessee, at 300 South Wacker Drive, Chicago, Illinois 60606, *attention of* the Vice President—Finance;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 19. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

In the event that the Trust Certificates shall bear dividends on the unpaid principal amount thereof at a rate other than 8.40% per annum, the Lessor and the Lessee shall enter into an appropriate supplement to this Lease appropriately modifying the provisions hereof, including §§ 2, 6 and 12 hereof, in such manner that the rental payable hereunder shall be sufficient to discharge the Lessor's obligations under Sections 5.04(c), (d) and (e) of the Equipment Trust Agreement and the Lessor shall be provided with a net return hereunder equal to the net return that would have been available to the Lessor hereunder if the Trust Certificates had been issued to persons other than the Lessor and had borne dividends at a rate equal to 8.40% per annum.

§ 20. *Execution.* This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of April 1, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 21. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however*, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

§ 22. *Obligations of Lessor Under Equipment Trust Agreement.*

In the event that the Lessor shall become obligated to make any payment (other than pursuant to Section 4.03 of the Equipment Trust Agreement) or to perform any other obligations pursuant to the Equipment Trust Agreement not covered by the provisions of this Lease, the Lessee shall pay such additional amounts to the Trustee and perform such obligations so that the Lessor's obligations (other than pursuant to Section 4.03 of the Equipment Trust Agreement) pursuant to the Equipment Trust Agreement shall be fully complied with. The Lessor will pay over to the Lessee any amounts received by it pursuant to the last sentence of Section 9.04 of the Equipment Trust Agreement.

§ 23. *No Recourse.*

No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Lessor or the Lessee, or against any beneficiary of a trust for which the Lessor is acting as Trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

§ 24. *Provisions Concerning Subordinated Notes.*

It is the intention of the parties hereto that the obligations of the Lessee under this Lease shall be superior in right of payment to all the Lessee's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Lessee and certain of its stockholders. The Lessee covenants and agrees that if an Event of Default exists hereunder or an Event of Default (as defined in the Equipment Trust Agreement) exists under the Equipment Trust Agreement or any event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee will not voluntarily prepay or retire any of such Notes.

§ 25. *Increase of User Rates.* The Lessee covenants and agrees (i) that, if an Event of Default exists under § 9(A) hereof by reason of the failure of the Lessee to pay to the Trustee within the grace period provided in § 9(A) hereof, all or any part of the rentals due and payable under § 2 hereof required for the payment of the principal of or dividends on the Trust Certificates (but not including any principal or dividends payable by reason of acceleration of the date of payment thereof), the Lessee will, upon written notice by the Lessor so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other Forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of railroad equipment of which the Lessee is the owner or the lessee will contain provisions permitting the Lessee to require such increases and (iii) that, unless in connection with an assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Lessee pursuant to Section 5.09 of the Equipment Trust Agreement, the Lessee will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Lessee to the parties to such car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the Lessee in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Lessee to enable it to pay all such overdue principal and dividends (with interest on overdue principal and dividends at the Penalty Rate, to the extent that it shall be legally enforceable) and to cure any defaults in payment of any principal, dividends or interest (or rentals intended to provide for payment thereof) payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement of the Lessee not guaranteed jointly and severally by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or

interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Lessee relating to the use of its cars. If for any reason any such increases so made by the Lessee shall fail to provide in 90 days sufficient cash to enable the Lessee to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Lessee will, upon receipt of written notice from the Lessor so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Lessee to cure all such defaults hereunder and under such other agreements.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be duly executed as of the date first above written.

FIRST WESTERN BANK AND TRUST
COMPANY,
as trustee,

[CORPORATE SEAL]

by

[Signature]
Trust Officer.

Attest:

[Signature]
Assistant Secretary.

TRAILER TRAIN COMPANY,

[CORPORATE SEAL]

by

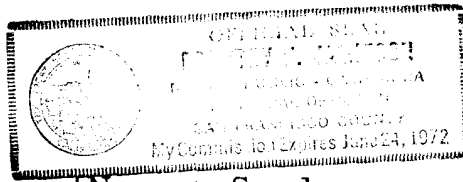
[Signature]
Vice President—Finance.

Attest:

[Signature]
Assistant Secretary.

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 10th day of May, 1972, before me personally appeared A. M. G. RUSSELL, to me personally known, who, being by me duly sworn, says that he is a Trust Officer of FIRST WESTERN BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[NOTARIAL SEAL]

A. M. G. Russell
Notary Public

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 11th day of May, 1972, before me personally appeared N. V. REICHERT, to me personally known, who, being by me duly sworn, says that he is the Vice President—Finance of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

N. V. Reichert
Notary Public

My Commission expires July 24, 1975

[NOTARIAL SEAL]

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

In the event that the Trust Certificates shall bear dividends on the unpaid principal amount thereof at a rate other than 8.40% per annum, the Lessor and the Lessee shall enter into an appropriate supplement to this Lease appropriately modifying the provisions hereof, including §§ 2, 6 and 12 hereof, in such manner that the rental payable hereunder shall be sufficient to discharge the Lessor's obligations under Sections 5.04(c), (d) and (e) of the Equipment Trust Agreement and the Lessor shall be provided with a net return hereunder equal to the net return that would have been available to the Lessor hereunder if the Trust Certificates had been issued to persons other than the Lessor and had borne dividends at a rate equal to 8.40% per annum.

§ 20. *Execution.* This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of April 1, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 21. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however*, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

§ 22. *Obligations of Lessor Under Equipment Trust Agreement.*

In the event that the Lessor shall become obligated to make any payment (other than pursuant to Section 4.03 of the Equipment Trust Agreement) or to perform any other obligations pursuant to the Equipment Trust Agreement not covered by the provisions of this Lease, the Lessee shall pay such additional amounts to the Trustee and perform such obligations so that the Lessor's obligations (other than pursuant to Section 4.03 of the Equipment Trust Agreement) pursuant to the Equipment Trust Agreement shall be fully complied with. The Lessor will pay over to the Lessee any amounts received by it pursuant to the last sentence of Section 9.04 of the Equipment Trust Agreement.

§ 23. *No Recourse.*

No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Lessor or the Lessee, or against any beneficiary of a trust for which the Lessor is acting as Trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

§ 24. *Provisions Concerning Subordinated Notes.*

It is the intention of the parties hereto that the obligations of the Lessee under this Lease shall be superior in right of payment to all the Lessee's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Lessee and certain of its stockholders. The Lessee covenants and agrees that if an Event of Default exists hereunder or an Event of Default (as defined in the Equipment Trust Agreement) exists under the Equipment Trust Agreement or any event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee will not voluntarily prepay or retire any of such Notes.

§ 25. *Increase of User Rates.* The Lessee covenants and agrees (i) that, if an Event of Default exists under § 9(A) hereof by reason of the failure of the Lessee to pay to the Trustee within the grace period provided in § 9(A) hereof, all or any part of the rentals due and payable under § 2 hereof required for the payment of the principal of or dividends on the Trust Certificates (but not including any principal or dividends payable by reason of acceleration of the date of payment thereof), the Lessee will, upon written notice by the Lessor so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other Forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of railroad equipment of which the Lessee is the owner or the lessee will contain provisions permitting the Lessee to require such increases and (iii) that, unless in connection with an assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Lessee pursuant to Section 5.09 of the Equipment Trust Agreement, the Lessee will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Lessee to the parties to such car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the Lessee in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Lessee to enable it to pay all such overdue principal and dividends (with interest on overdue principal and dividends at the Penalty Rate, to the extent that it shall be legally enforceable) and to cure any defaults in payment of any principal, dividends or interest (or rentals intended to provide for payment thereof) payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement of the Lessee not guaranteed jointly and severally by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or

interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Lessee relating to the use of its cars. If for any reason any such increases so made by the Lessee shall fail to provide in 90 days sufficient cash to enable the Lessee to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Lessee will, upon receipt of written notice from the Lessor so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Lessee to cure all such defaults hereunder and under such other agreements.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be duly executed as of the date first above written.

FIRST WESTERN BANK AND TRUST
COMPANY,
as trustee,

[CORPORATE SEAL]

by

[Signature]
Trust Officer.

Attest:

[Signature]
Assistant Secretary.

TRAILER TRAIN COMPANY,

[CORPORATE SEAL]

by

[Signature]
Vice President—Finance.

Attest:

[Signature]
Assistant Secretary.

and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Notwithstanding anything to the contrary contained in § 11 hereof, the Lessee represents and warrants that (i) all of the Units constitute property the entire Cost of which qualifies for the Investment Credit under Section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of Section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) and 167(c)(2) of the Code from commencing with the Lessor; and (iii) at all times during the term of this Lease, each Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Code and will be used by railroad companies; and (iv) the Lessee will maintain sufficient records to verify such use.

§ 18. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States registered mails, first-class postage prepaid, addressed as follows:

If to the Lessor, at 235 Montgomery Street, San Francisco, California 94104, *attention of* Edgar H. Canfield, Vice President and Trust Officer;

If to the Lessee, at 300 South Wacker Drive, Chicago, Illinois 60606, *attention of* the Vice President—Finance;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 19. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

In the event that the Trust Certificates shall bear dividends on the unpaid principal amount thereof at a rate other than 8.40% per annum, the Lessor and the Lessee shall enter into an appropriate supplement to this Lease appropriately modifying the provisions hereof, including §§ 2, 6 and 12 hereof, in such manner that the rental payable hereunder shall be sufficient to discharge the Lessor's obligations under Sections 5.04(c), (d) and (e) of the Equipment Trust Agreement and the Lessor shall be provided with a net return hereunder equal to the net return that would have been available to the Lessor hereunder if the Trust Certificates had been issued to persons other than the Lessor and had borne dividends at a rate equal to 8.40% per annum.

§ 20. *Execution.* This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of April 1, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§ 21. *Law Governing.* The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; *provided, however*, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

§ 22. *Obligations of Lessor Under Equipment Trust Agreement.*

In the event that the Lessor shall become obligated to make any payment (other than pursuant to Section 4.03 of the Equipment Trust Agreement) or to perform any other obligations pursuant to the Equipment Trust Agreement not covered by the provisions of this Lease, the Lessee shall pay such additional amounts to the Trustee and perform such obligations so that the Lessor's obligations (other than pursuant to Section 4.03 of the Equipment Trust Agreement) pursuant to the Equipment Trust Agreement shall be fully complied with. The Lessor will pay over to the Lessee any amounts received by it pursuant to the last sentence of Section 9.04 of the Equipment Trust Agreement.

§ 23. *No Recourse.*

No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Lessor or the Lessee, or against any beneficiary of a trust for which the Lessor is acting as Trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

§ 24. *Provisions Concerning Subordinated Notes.*

It is the intention of the parties hereto that the obligations of the Lessee under this Lease shall be superior in right of payment to all the Lessee's Thirty Year Subordinated Notes sold or to be sold pursuant to a Note Purchase Agreement dated as of January 1, 1967, between the Lessee and certain of its stockholders. The Lessee covenants and agrees that if an Event of Default exists hereunder or an Event of Default (as defined in the Equipment Trust Agreement) exists under the Equipment Trust Agreement or any event which, with the giving of notice or the lapse of time, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee will not voluntarily prepay or retire any of such Notes.

§ 25. *Increase of User Rates.* The Lessee covenants and agrees (i) that, if an Event of Default exists under § 9(A) hereof by reason of the failure of the Lessee to pay to the Trustee within the grace period provided in § 9(A) hereof, all or any part of the rentals due and payable under § 2 hereof required for the payment of the principal of or dividends on the Trust Certificates (but not including any principal or dividends payable by reason of acceleration of the date of payment thereof), the Lessee will, upon written notice by the Lessor so to do, within ten days after receipt of such notice, deliver to all parties to its Form A and Form B car contracts (or such other Forms as may hereafter be used in substitution or in replacement of such Form A and Form B car contracts) due and proper notice of increases in the car user charges under such contracts, (ii) that all car contracts covering any unit or units of railroad equipment of which the Lessee is the owner or the lessee will contain provisions permitting the Lessee to require such increases and (iii) that, unless in connection with an assignment or transfer to a corporation which shall acquire all or substantially all of the property of the Lessee pursuant to Section 5.09 of the Equipment Trust Agreement, the Lessee will not assign or transfer its rights and obligations to require such increases under any such car contracts. Such increases shall commence to accrue and shall be effective on the first day of the first calendar month beginning subsequent to ten days after delivery of such notice by the Lessee to the parties to such car contracts. Such increases shall be in such amounts or percentages as will cause to accrue and be payable to the account of the Lessee in respect of the first calendar month during which they are in effect such additional sums of money as will be needed by the Lessee to enable it to pay all such overdue principal and dividends (with interest on overdue principal and dividends at the Penalty Rate, to the extent that it shall be legally enforceable) and to cure any defaults in payment of any principal, dividends or interest (or rentals intended to provide for payment thereof) payable under comparable provisions of any other equipment trust, conditional sale or other equipment agreement of the Lessee not guaranteed jointly and severally by its shareholders or a group of its shareholders (except defaults arising by reason of acceleration of the date of payment of instalments of principal, dividends or

interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Lessee relating to the use of its cars. If for any reason any such increases so made by the Lessee shall fail to provide in 90 days sufficient cash to enable the Lessee to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Lessee will, upon receipt of written notice from the Lessor so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Lessee to cure all such defaults hereunder and under such other agreements.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be duly executed as of the date first above written.

FIRST WESTERN BANK AND TRUST
COMPANY,
as trustee,

[CORPORATE SEAL]

by

[Signature]
Trust Officer.

Attest:

[Signature]
Assistant Secretary.

TRAILER TRAIN COMPANY,

[CORPORATE SEAL]

by

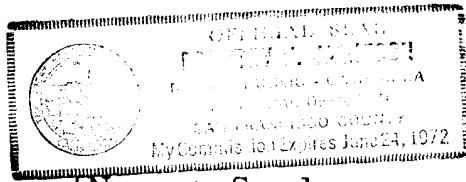
[Signature]
Vice President—Finance.

Attest:

[Signature]
Assistant Secretary.

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 10th day of May, 1972, before me personally appeared A. M. G. RUSSELL, to me personally known, who, being by me duly sworn, says that he is a Trust Officer of FIRST WESTERN BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[NOTARIAL SEAL]

A. M. G. Russell
Notary Public

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 11th day of May, 1972, before me personally appeared N. V. REICHERT, to me personally known, who, being by me duly sworn, says that he is the Vice President—Finance of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

N. V. Reichert
Notary Public

My Commission expires July 24, 1975

[NOTARIAL SEAL]

and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent hereof.

Notwithstanding anything to the contrary contained in § 11 hereof, the Lessee represents and warrants that (i) all of the Units constitute property the entire Cost of which qualifies for the Investment Credit under Section 50 of the Code; (ii) at the time the Lessor becomes the owner of the Units, the Units will constitute "new section 38 property" within the meaning of Section 48(b) of the Code and at the time the Lessor becomes the owner of the Units, the Units will not have been used by any person so as to preclude "the original use of such property" within the meaning of Section 48(b) and 167(c)(2) of the Code from commencing with the Lessor; and (iii) at all times during the term of this Lease, each Unit will constitute "Section 38 property" within the meaning of Section 48(a) of the Code and will be used by railroad companies; and (iv) the Lessee will maintain sufficient records to verify such use.

§ 18. *Notices.* Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States registered mails, first-class postage prepaid, addressed as follows:

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If to the Lessee, at 300 South Wacker Drive, Chicago, Illinois 60606, *attention of* the Vice President—Finance;

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§ 19. *Severability; Effect and Modification of Lease.* Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

In the event that the Trust Certificates shall bear dividends on the unpaid principal amount thereof at a rate other than 8.40% per annum, the Lessor and the Lessee shall enter into an appropriate supplement to this Lease appropriately modifying the provisions hereof, including §§ 2, 6 and 12 hereof, in such manner that the rental payable hereunder shall be sufficient to discharge the Lessor's obligations under Sections 5.04(c), (d) and (e) of the Equipment Trust Agreement and the Lessor shall be provided with a net return hereunder equal to the net return that would have been available to the Lessor hereunder if the Trust Certificates had been issued to persons other than the Lessor and had borne dividends at a rate equal to 8.40% per annum.

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No recourse shall be had in respect of any obligation due under this Lease, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Lessor or the Lessee, or against any beneficiary of a trust for which the Lessor is acting as Trustee, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors, officers, or beneficiaries being forever released as a condition of and as consideration for the execution of this Lease.

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interest, or rentals intended to provide for payment thereof), whether heretofore or hereafter entered into, based upon the most recent records or information available to the Lessee relating to the use of its cars. If for any reason any such increases so made by the Lessee shall fail to provide in 90 days sufficient cash to enable the Lessee to cure such default or defaults hereunder and under any other such agreements, or if cash is provided but is not for any reason applied to cure such defaults, the Lessee will, upon receipt of written notice from the Lessor so to do, promptly make such further increases in its user charges as may from time to time be necessary to enable the Lessee to cure all such defaults hereunder and under such other agreements.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be duly executed as of the date first above written.

FIRST WESTERN BANK AND TRUST
COMPANY,
as trustee,

[CORPORATE SEAL]

by

[Signature]
Trust Officer.

Attest:

[Signature]
Assistant Secretary.

TRAILER TRAIN COMPANY,

[CORPORATE SEAL]

by

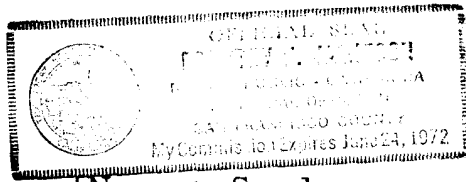
[Signature]
Vice President—Finance.

Attest:

[Signature]
Assistant Secretary.

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 10th day of May, 1972, before me personally appeared A. M. G. RUSSELL, to me personally known, who, being by me duly sworn, says that he is a Trust Officer of FIRST WESTERN BANK AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[NOTARIAL SEAL]

A. M. G. Russell
Notary Public

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 11th day of May, 1972, before me personally appeared N. V. REICHERT, to me personally known, who, being by me duly sworn, says that he is the Vice President—Finance of TRAILER TRAIN COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

N. V. Reichert
Notary Public

My Commission expires July 24, 1975

[NOTARIAL SEAL]

SCHEDULE A

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (All Inclusive)</u>	<u>Unit Cost</u>	<u>Total Cost</u>
89'4" 70-ton capacity, standard level, auto frame flat cars	70	603576 to 603645	\$15,310.00	\$1,071,700.00
89'4" 70-ton capacity, standard level, all purpose flat cars	56	970745 to 970747 970750 970752 to 970803	21,300.00	1,192,800.00
89'4" 70-ton capacity, standard level, auto frame flat cars	62	158315 to 158376	15,295.00	948,290.00
	36	964117 to 964152	17,950.00	646,200.00
89'4" 70-ton capacity, standard level, auto rack flat cars	7	940773 to 940779	17,550.91	122,856.37
89'4" 70-ton capacity, standard level, auto frame flat cars	70	253650 to 253719	15,300.00	1,071,000.00
89'4" 70-ton capacity, standard level, all purpose flat cars	10	972966 to 972975	21,357.00	213,570.00
	<u>311</u>			<u>\$5,266,416.37</u>